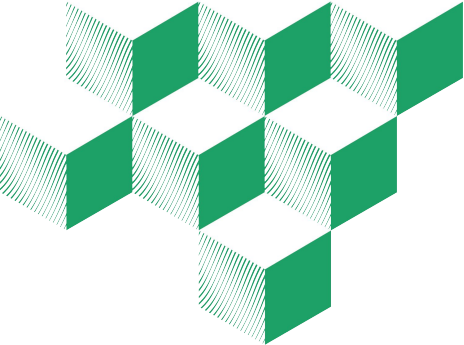


# FUND

## The Fundament of Real Estate Investment

The first Real Estate Security Token fully approved by the German Financial Market Authority (BaFin)

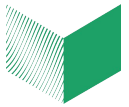


**Important notice**

The expected yield is not guaranteed and may be lower.

**Warning notice**

The purchase of this security is associated with risks and can lead to the complete loss of the invested capital.



Dear Investors,

Finally, we brought together the best of both worlds. A classic real estate investment in perfect combination with the use of blockchain technology.

We offer the first Real Estate Token fully approved by the German Financial Market Authority (BaFin) that represent a portfolio of German Commercial Real Estate – which gives it a steady value growth and a planned annual yield.

The FUND Real Estate Token will bring liquidity into a traditional illiquid asset class and can be traded and used as a stablecoin 24/7.

By focussing on our home market Germany - one of the most stable real estate markets in the world that is not only highly demanded by domestic, but also foreign institutional investors - we take care for a sustainable and valuable underlying asset for all Real Estate Token.

In addition, through our shareholder structure, we have access to a project pipeline of EUR 6.7 billion spread across Germany's metropolitan regions.

On the following pages we inform you about the current market situation and the investment offer.

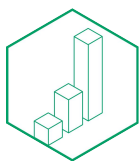
Together with you, we are looking forward to be successful!

Sincerely

Thomas Ermel  
Managing Director



## Investment Highlights



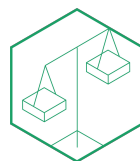
### Steady Value Growth

The FUND Real Estate Token represent a diversified portfolio of German Commercial Real Estate – which gives it a steady value growth and a planned annual yield of 4% (IRR) plus possible sales revenue.



### Liquidity

The FUND Real Estate Token will bring liquidity into a traditional illiquid asset class and can be traded on licensed exchanges and peer-to-peer 24/7.



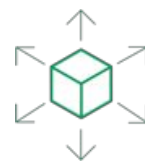
### Regulation

The FUND Real Estate Token is the first fully approved and regulated Real Estate Token by the German Financial Market Authority (BaFin).



### German Real Estate

The FUND Real Estate Token has a focus on the German market; one of the most stable markets in the world over the past decade. The FUND Real Estate Token has access to an extensive project pipeline through his shareholder Bauwens Group.



### Integrity & Expertise

The FUND Real Estate Token is a project of German industry experts and compliant with German regulations.

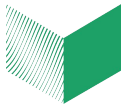


## Outlook on the German real estate market

The demand for commercial and residential real estate continues unbroken in the German metropolitan regions.







## Strong demand on the German real estate market

There is still a chronic shortage of living space in the German metropolises. Although new construction activity has increased in recent years, the supply gap is steadily widening. The result is a sustained upward trend in purchase and rental prices for residential real estate.

In the office market, demand for office space is likely to remain high due to the continued good labour market. Vacancy rates continue to fall, while the number of office employees and top and average rents are expected to rise again. Especially in some cities with very low vacancy rates, rents could pick up strongly. The positive economic development also ensures stability.

### Demand for housing expected to remain high due to strong labour market

In its report "Outlook for the German Real Estate Market 2019", Deutsche Bank Research assumes that the favourable development of interest rates will remain one of the main reasons for the current boom in demand for housing on the labour market. The main indicators on the labour market improved over the entire cycle. Since 2009, the number of employees has increased by almost 10%, the unemployment rate has fallen by around 3% and wages without special payments have increased by more than 20% according to the Bundesbank.

These developments are expected to continue in 2019. Thus, a further improvement in the number of employees and a similarly high wage growth as in 2018 of about 3% compared to the previous year is expected.

A further decline in the unemployment rate to 4.9% in 2019 is also expected.

Another factor that should contribute to the demand for housing is rising wealth.

According to the Federal Statistical Office, the assets of German households have risen successively every year since 2009 over the entire cycle, probably mainly thanks to low interest rates, and have increased by a total of around EUR 3,800 bn or more than 40%. Real estate and financial assets increased more or less equally. A large part of the assets do not trigger any market transactions. However, one can speculate about this, whether the generation of heirs does not tend to have a higher readiness assets and to acquire new properties. Thus the Deutsches Institut für Altersvorsorge estimates that the average inherited assets will amount to around EUR 300

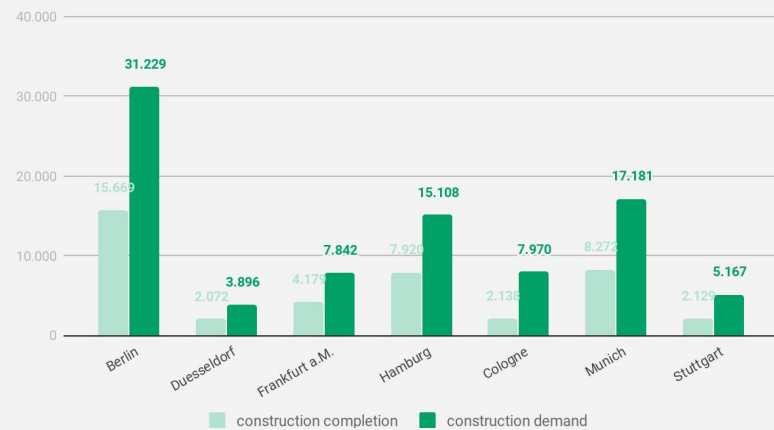
billion per year until 2024, whereby of which about two thirds are inherited across generations. These In view of the supply bottlenecks in the metropolises and the metropolitan regions will have an additional price-driving effect.

Due to higher incomes and wealth and the trend towards single households, living space per person increased almost steadily.

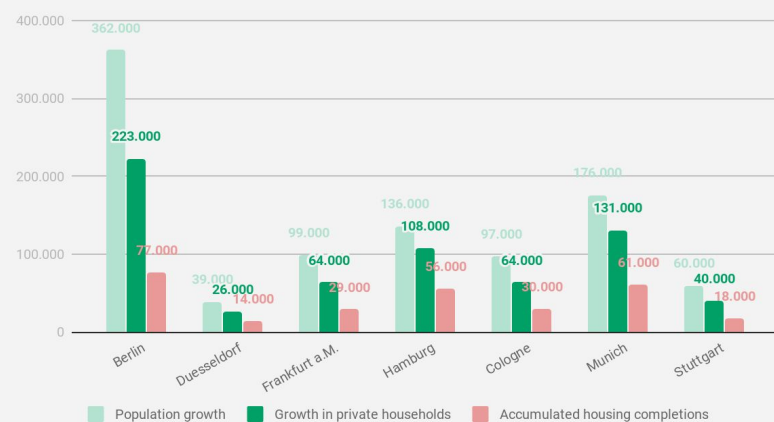
This development is likely to reach its limits in the future as prices continue to rise. Even today, living space per apartment is stagnating in around a quarter of our 126 cities (bulwiengesa). As prices continue to rise, living space is likely to decline in many regions. Demographics are also likely to strengthen this trend in the future, as the demand for smaller apartments increases with the rising number of retirees and pensioners.

### Comparison of supply and demand in the top 7 metropolitan regions

Buildings completed 2017 compared with annual construction req. by 2020<sup>1</sup>



Population and household trends from 2007 to 2017<sup>2</sup>



<sup>1</sup> Source: Statistical offices of the Federal Government and States

<sup>2</sup> Source: Feri, statistical offices of cities and federal states, as of October 2018 (without forecast)

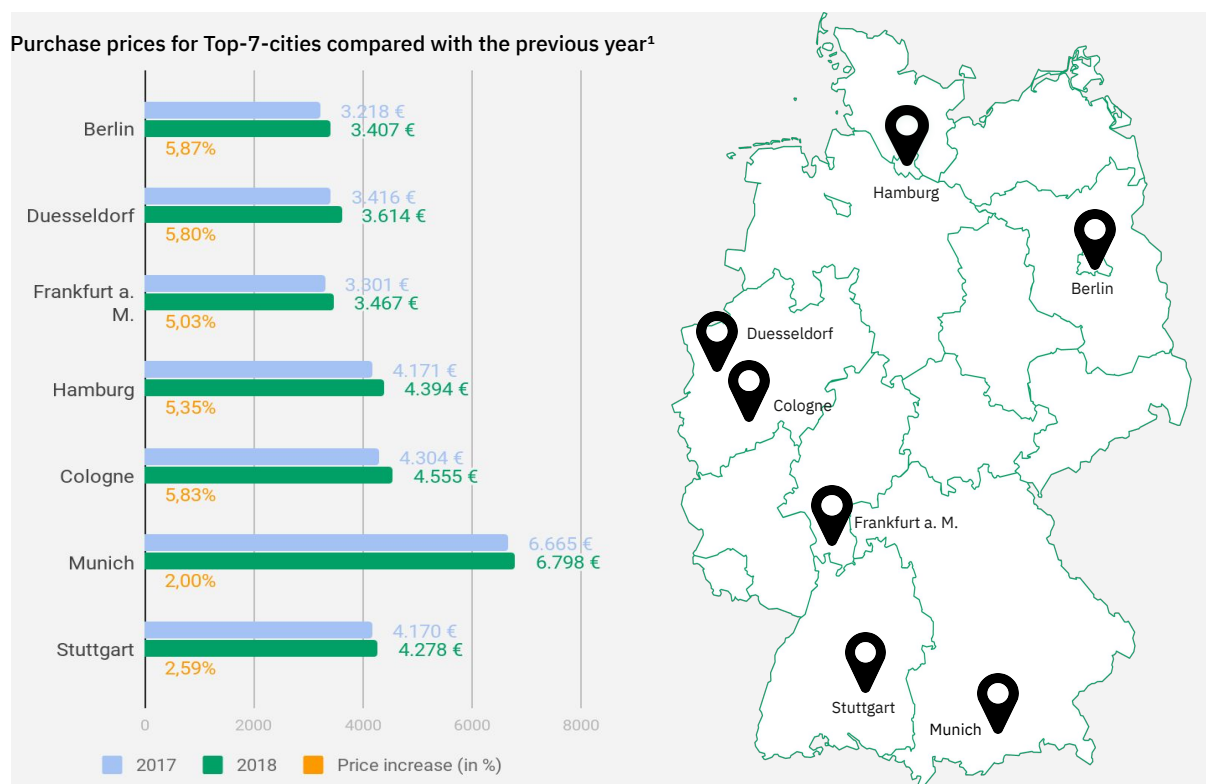


**No trend reversal before 2022. Overall, Deutsche Bank's forecast assumes that there will be a shortage of around one million apartments at this time alone.**

The high demand and a shortage of supply are leading to increasing purchase and rental prices on the German market. According to the current real estate price index of the Empirica research institute, rents in the seven largest German cities rose in the third quarter of 2018 by 5.7% compared to the same quarter of the previous year.

Thanks to higher incomes, the rental cost burden in the metropolises amounts to around one third of disposable income. The majority of German tenants therefore do not feel excessively financially strained.

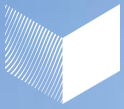
According to Scope Research, a decline in rental prices in the metropolitan regions is only conceivable through an external economic shock. Instead, further rent increases are expected in the medium term.



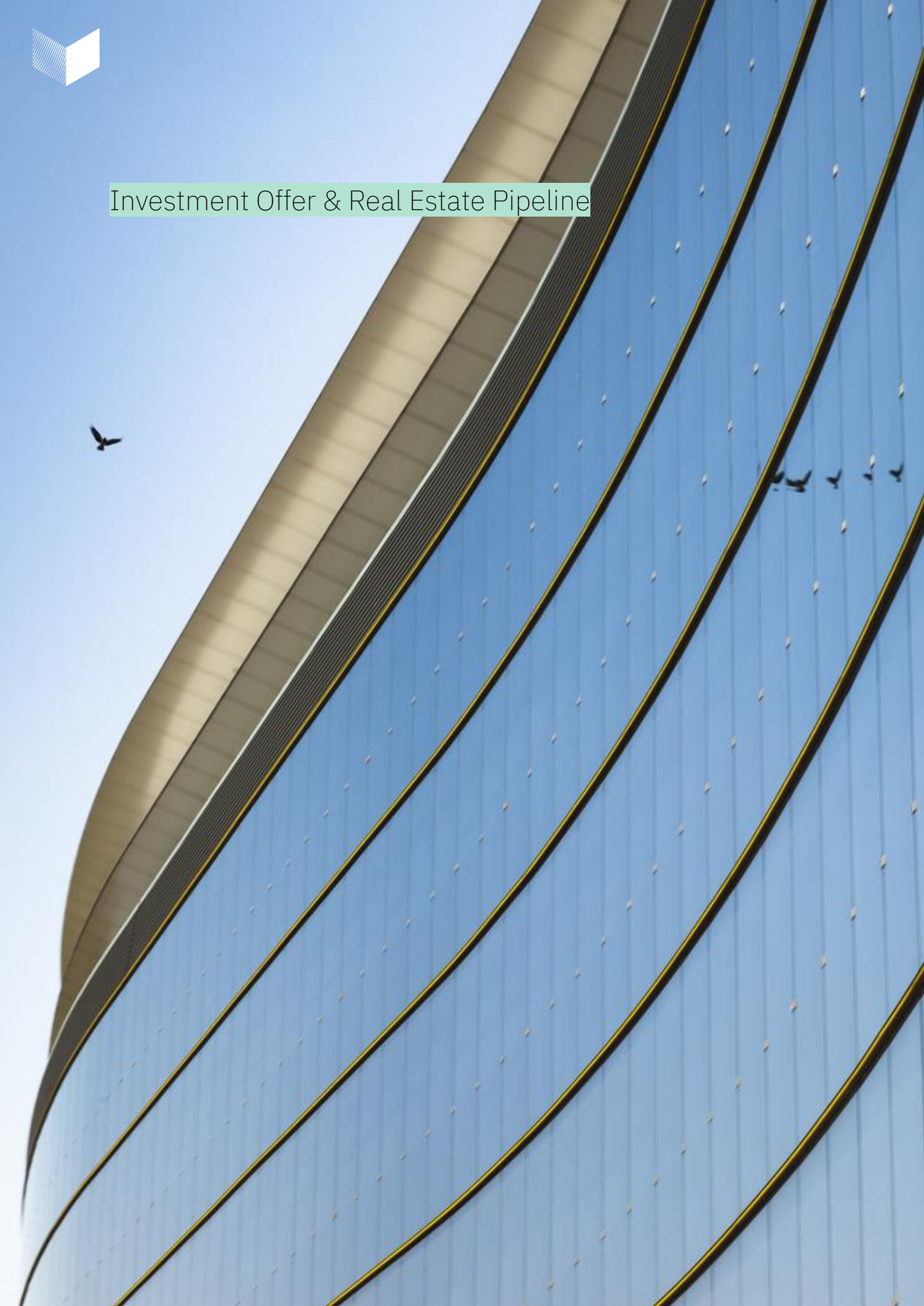
#### The German real estate market at a glance

- Construction activity is on the rise. Nationwide, around 285,000 apartments were completed in 2017, a plus of 2.6%.
- Nevertheless, the demand for 400,000 residential units per year is clearly undercut.
- The housing shortage will continue to increase until at least 2022 - to around one million required units.
- The shortage of supply leads to increases in rent and purchase prices. From the third quarter From 2017 to the third quarter of 2018, purchase prices rose by 11.9% and rents by 5.7%.
- Further price increases are likely across all locations in the future, although less dynamically.
- A robust economy, rising incomes and a low level of debt are the important key stability factors for the market.

<sup>1</sup> Source: www.f-und-b.de (F+B Residential Index), The purchase prices relate to both new and existing properties



# Investment Offer & Real Estate Pipeline







## Investment Strategy

The FUND Real Estate Token aims to build up a diversified commercial real estate portfolio in order to achieve a continuous and long-term increase in the companies value on the basis of high and sustainable cash flows and implements a conservative investment approach with clear investment criteria.

The properties are held in the portfolio in a medium term and FUND takes over all stages of the management as well as asset- and the final transaction management of the portfolio properties. In this way, investors should participate not only in a regular cash flow but also in the value-added yield.

### Invest

The FUND Real Estate Token pursues a conservative mid- to long term investment approach, with a focus on real estate investments that comply with the following criteria in terms of location, use and economic performance:

- Germany's seven (7) metropolitan regions (Berlin, Cologne, Düsseldorf, Frankfurt a.M., Hamburg, Munich and Stuttgart).
- Precise analysis: precise on-site analysis instead of global macro analysis, acquisition of individual properties instead of entire portfolios ("cherry picking"). This guarantees the long-term success of our portfolio.
- Completed new construction commercial projects with the focus on the asset classes: hotel, office, day care, student-/micro-living and boarding houses.
- Positive technical, legal and tax due diligence of the property.
- Existing lease agreements with (preferred) single-tenants; in the case of commercial agreements, scale or index agreements must exist.
- The purchase multiplier on the net annual rent should not be higher than 25. During the term at least a return of 4% (IRR) should be ensured by current rental income.
- At the time of purchase, a possible third-party utilization must be positively assessed.

### Hold

We are an active asset manager of the property in order - not only - to maintain the value of the property, its attractiveness and vitality over the mid- or long term, but also to increase the potential for value growth by:

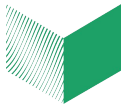
- Management and control of the connected property and facility managers.
- The commercial management of the properties overall, rental management (realization of potential rent increases), construction and project management as well as project development (refurbishment).
- Annual commissioning of a current valuation by external experts.
- Recompaction and creation of building rights.

### Exit

The transaction management is an extremely important component of our asset management and investment strategy. We constantly review sales opportunities on the market to generate an additional sales revenue for our investors.

- The Transaction management is in ongoing exchange with potential buyers such as fund and asset managers, family offices and other institutions in Germany and abroad and is examining possible sale opportunities.
- In some cases, external consultants/sales associates are specifically involved in order to realize the intended sale.





# The FUND Real Estate Token & Bauwens - 6.7 Billion Euro Project Pipeline

Success can never be taken for granted. Three main factors are decisive for this: experience, access to suitable investment projects and a close cooperation with its partners. The The FUND Real Estate Token Management has over ten years of experience in structuring, issuing and managing capital investment products for retail and institutional clients in the German real estate sector. All issued products are on schedule or have already been repaid to investors. With the Bauwens Group, FUND has a financially strong shareholder at its side - and access to decades of know-how, experience and a project pipeline of currently around 6.7 billion euros.

# BAUWENS

## Experience since 1873

Bauwens is one of the established and largest project development companies for commercial and residential real estate in Germany. Not only does it have access to the market, but it is also distinguished by its many years of experience - from planning through implementation and construction to the final sale of the investment projects.

## Project access

New construction projects with a planned sales volume of over 6.7 billion Euros are currently in the project pipeline. The planned property will be built exactly where commercial and residential space is urgently needed, in Germany's top seven metropolitan regions and matches perfectly The FUND Real Estate Token's investment criteria.

## Bauwens at a glance

- Top 5 project developer in Germany for commercial & residential real estate. Founded 1873
- EUR 6,7 billion project development volume under management incl. joint ventures as of 1.6.2019
- Order volume for construction services at 1.1.2019 of EUR 360 million
- 6 locations in Germany: Cologne, Rhine-Ruhr, Berlin, Munich, Hamburg, Frankfurt
- 370 + employees

Find out more about Bauwens and their projects. Just scan the QR-code or visit [www.bauwens.de/en](http://www.bauwens.de/en).



Cologne: Headquarter Bauwens Group



# Fundament Group

## Management background

The management and founder of the The FUND Real Estate Token are the brothers Thomas & Felix Ermel. They founded the German ONE Group in 2009 ([www.onegroup.ag](http://www.onegroup.ag)). The company is an established provider of investment vehicles and investment funds in the form of closed alternative investment funds (AIF) in Germany.

The company was incorporated into ISARIA Wohnbau AG, Munich in 2013, listed in the prime standard of the Frankfurt Stock Exchange ([www.isaria.ag](http://www.isaria.ag)). The ONE Group founders became shareholders. ISARIA is a real estate project developer with an existing pipeline of more than EUR 2 billion. In 2016 the ISARIA shareholders accepted the public takeover offer by "Lone Star" (USA) - a leading private equity firm for real estate & corporate capital ([www.lonestarfunds.com](http://www.lonestarfunds.com)).

## The FUND management at a glance

- More than 8,000 investors
- 400 million euros capital raised
- 110 million euros repaid from 3 funds
- 40 million euros in current disbursements already made
- All products conform to the prospectus

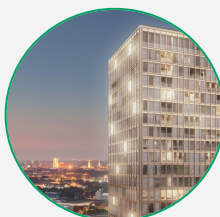
## Investment examples<sup>1</sup>



**Diamantpark**  
München-Allach  
Housing units: 793  
Volume: 401 Mio. EUR



**Tübinger Straße**  
München-Sendling  
Housing units: 187  
Volume: 136 Mio. EUR



**South One**  
München-Obersendling  
Housing units: rd. 266  
Volume: > 189 Mio. EUR



**Hansastrasse**  
München-Sendling  
Housing units: 78  
Volume: 50 Mio. EUR



**Kapstadtring**  
Hamburg-Winterhude  
Housing units: 143  
Volume: 35 Mio. EUR



**Gustav-Heinemann-Ring**  
München-Allach  
Housing units: 79  
Volume: 41 Mio. EUR



**Rosensteinstraße**  
Stuttgart  
Housing units: ca. 765  
Volume: 242 Mio. EUR



**mynido**  
München-Karlsfeld  
Housing units: rd. 566  
Volume: 245 Mio. EUR

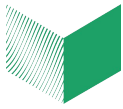


**Elsenheimer Straße**  
München-Sendling  
Housing units: ca. 350  
Volume: 73 Mio. EUR



**App.artments**  
Bogenhausen  
Housing units: 167  
Volume: 35 Mio. EUR

<sup>1</sup> Examples of the investment portfolio for which the FUND management was responsible during the time as CEO of ONE Group.



# First Investments Made

## Dornburger Str., Jena Volume: 23 Mio. EUR

In the direct inner city of the university town Jena a new construction of a Micro-/Student-Living building will be realized. The property with 106 units has approx. 7,200 m<sup>2</sup> above ground. The completion and takeover is 2020.

### Macro layer

Jena is the most important technology location in the federal state of Thuringia. The Jena Metropolitan Region - also known as the city of optics - grows constantly and raises compared to other cities in East Germany.

### Habitants

- Population (as of June 2016) 107.057
- Age group 18 - 27 years 13 %
- Age group 27 - 45 years 26 %
- Age group > 65 years: 21 %

### Micro Layer

The plot of land "Dornburger Str. 6" is located in the City centre between the railway station "Saalbahnhof" and the Friedrich Schiller University. The local supply is very good due to its central location and the traffic connections as well as distances to the central Facilities are very short as follows:

### Transport accessibility

- Railway station: 500 meter
- Tram stop: 200 meter
- Motor-/Highway #4: 10 km

### Distances to university facilities

- Campus University Jena: 600 m
- University Hospital: 600 m

### Market figures

#### Number of students

- Friedrich Schiller University: 18,403
  - Ernst Abbe University of Applied Sciences: 4,611
- 23.014

### Preferred district of students

Mention of the students interviewed about their preferred district of their choice, proportion in % (see figure 1):

- 50 % and more
- 30 % to under 50 %
- 20 % to under 30 %
- 10 % to under 20 %
- 5 % to under 20 %
- 5 % to under 1 %
- under 1 %

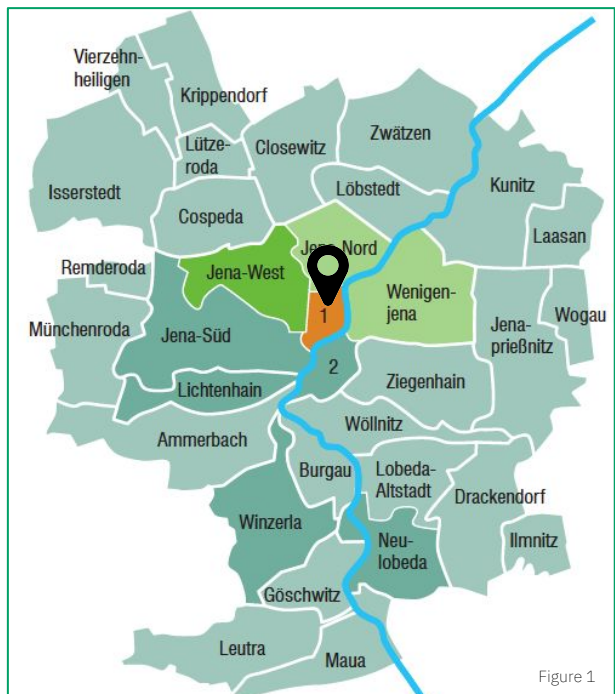
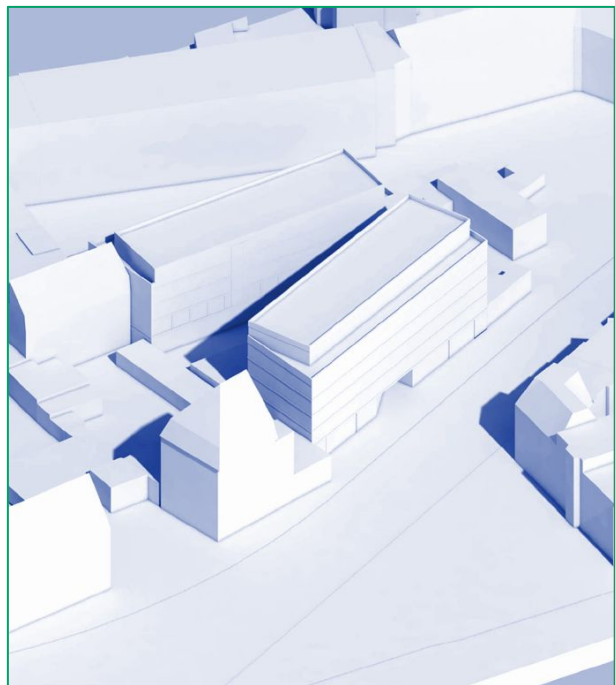


Figure 1



## Kieler Str., Hamburg

Volume: 8.2 Mio. EUR

### About the project

The daycare project is being implemented in the Stellingen district of the Hanseatic City of Hamburg. Two new buildings will be built on the property on Kieler Str.. The daycare areas cover a total area of approx. 970 m<sup>2</sup> and extend over both the front and the back building. The two new apartments will be built on the 3rd floor of the front building and will cover approx. 270 m<sup>2</sup>. The completion and takeover is planned for end of 2020.

### About the tenant

With a 20-year lease agreement, KMK Hamburg will become the tenant and operator. With more than 20 locations in Hamburg's most popular and demanded residential areas and several more daycare centres in the pipeline, KMK is the the largest private providers of daycare facilities in the Hanseatic city.

### Macro layer

With its 1.76 million inhabitants, Hamburg is the second largest city in Germany and the eighth largest in the European Union. Hamburg's infrastructure, transport and trade routes as well as its workforce are first-class. With a purchasing power of 23,469 Euro per inhabitant, Hamburg has a purchasing power index in relation to the number of inhabitants that is above the national average and number 1 in Germany. This means that Hamburg not only offers a high quality of location but also a great deal of prosperity.

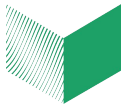
### Micro Layer

In the northeast of the Elbe metropolis is the district of Stellingen, which is crossed in the west by the A7 motorway and railway lines. Here there are large industrial estates with well-known, internationally active companies. The eastern part of the district is densely populated and is also known for Hagenbeck's zoo. The inhabitants of the district benefit from very good connections both to the surrounding area and to the centre of Hamburg.

### Daycare Situation / Demand

As in many other large cities, parents in Hamburg have to start looking for daycare places early, as demand is higher than supply. This is shown by statistics: Of approx. 2.2 million children under 3 in Germany, around 1/3 are cared for (approx. 32.7%) - however, the demand is approx. 46%. In addition, there is an east-west divide: There is a significantly higher demand in the old federal states than in the new ones (about 7% of 1-3 year olds in eastern Germany, about 15% in western Germany).





## FUND German Real Estate Token

The first Real Estate Token fully approved by the German Financial Market Authority (BaFin) that represent a portfolio of German Commercial Real Estate – which gives it a steady value growth and a planned annual yield.

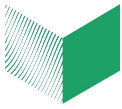
The FUND Token will bring liquidity into a traditional illiquid asset class and can be traded on licensed exchanges 24/7. The FUND Token uses the ERC-20 standard on the Ethereum Blockchain.

<b>Issuer</b>	FND German RE GmbH (local court Hamburg; HRB 150935)
<b>Type of investment</b>	Subordinated token-based bonds with annual variable interest rates
<b>Type of income</b>	Income from capital assets
<b>Planned rate of return</b>	4% p.a. (IRR) plus possible sales revenue
<b>Price per Token at STO</b>	EUR 1,00 or equivalent in ETH/BTC
<b>Currency of issuance</b>	Dividends and repayments are denominated in EUR
<b>Repayment</b>	100 % of the nominal amount of the token-based bonds, as scheduled on 31 December 2033
<b>Annual interests payments</b>	Investments and payments are made in EUR or Ether
<b>Annual interests payments</b>	Annually on 31 July
<b>Hard Cap</b>	EUR 250,000,000

### **Important notice**

The expected yield is not guaranteed and may be lower.





## Management / Advisors



**Thomas Ermel**  
**CEO & Founder**

Thomas Ermel has more than 10 years experience & knowledge as founder and CEO of the ONE GROUP in issuing investment vehicles and investment funds for real estate project development financing. The ONE GROUP was sold to ISARIA Wohnbau AG, Munich - one of the top 10 project developers in Germany - in 2013. He was responsible for more than 8,000 investors and 400 Mio. EUR managed equity. Since 2017 he is focussing on FUND. He has built up an excellent personal network in the real estate industry over the years.



**Florian Glatz**  
**Advisor / Blockchain Lawyer**

Florian Glatz is a lawyer, software developer and entrepreneur with many years of experience in the area of blockchain. He is the founding president of the German Blockchain Association and was involved in the founding of the European blockchain association INATBA. He advises the German government and the European Commission on the development of a national and European blockchain strategy.



**Robin Matzke**  
**Advisor / Attorney-at-law**

Robin Matzke is a lawyer and blockchain expert. He is an advisor to the German Parliament. He is finishing his PhD-thesis on phantom stocks at Humboldt-University Berlin.



**Jan von Lewinski**  
**Real Estate Advisor**

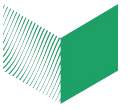
Jan von Lewinski has more than 25 years of excellent knowledge and proven expertise in the real estate industry. He was Chief Operating Officer (COO) of ISARIA Wohnbau AG, Munich, which was listed on the Prime Standard of the Frankfurt Stock Exchange. He was responsible for a real estate development pipeline of more than EUR 1.2 billion. Before that, Jan von Lewinski also worked as COO for a multinational family office. Over the years, Jan von Lewinski has created an excellent and tight network in the real estate industry.



**Dennis Huget**  
**Tax & Company Structuring**

For more than 15 years Dennis Huget has been advising medium-sized companies, investors, shareholders and wealthy private individuals on tax and business management issues and also supports them in asset transfers to the next generation. Since 2013 he is Partner of "nbs partners", a tax-and law firm operating focus on the German market.

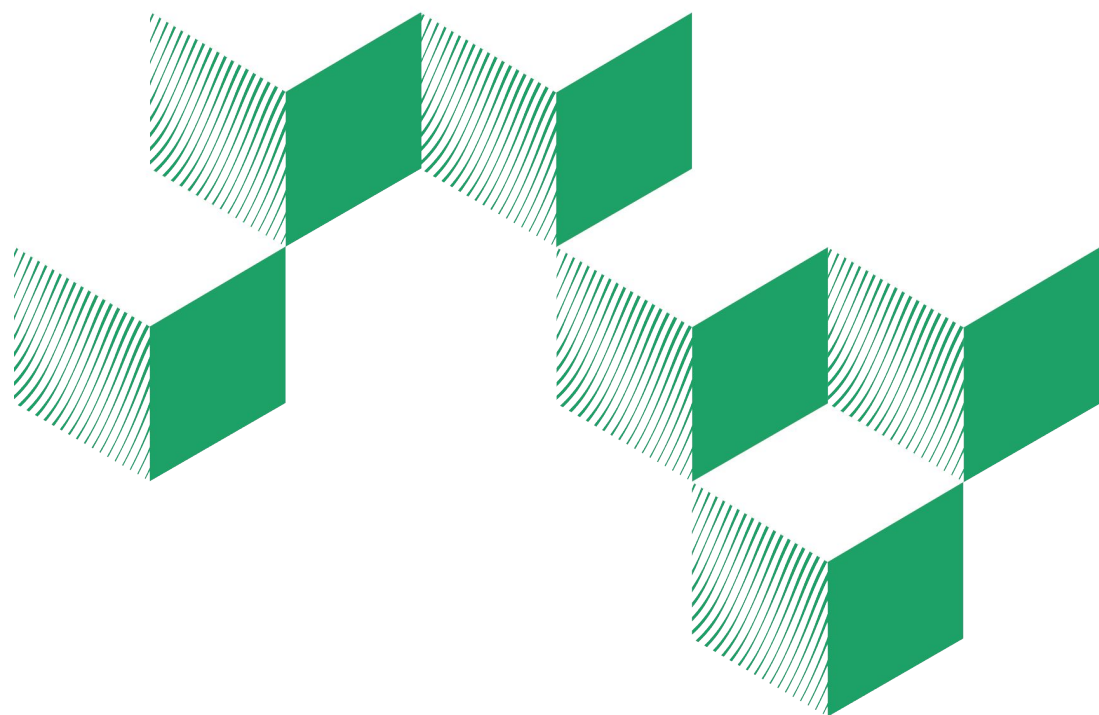


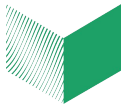


## Contact

[www.fnd.group](http://www.fnd.group)  
[contact@fnd.group](mailto:contact@fnd.group)

FND German RE GmbH  
Barmbeker Strasse 5A  
22303 Hamburg, Germany





## Risk Warning

The foundation RE Germany is a subordinated bearer bond with variable interest rate. This is a long-term relationship under the law of obligations. The investment offer is associated with economic, legal and tax risks. Acquirers of registered bonds (investors) do not become shareholders, but lenders of debt capital and thus Creditor of FND German RE GmbH (issuer).

### **Maximum risk**

The maximum risk for investors is the loss of the capital invested. Please refer to the detailed explanations in the Sales Prospectus.

### **General forecast and market risks**

At the time the prospectus was prepared and the real estate developments and concrete investment properties of FND German RE GmbH had not yet been determined. This gives rise to particular planning uncertainties (blind pool risk).

Furthermore, it cannot be ruled out that the global, European and German economic situation or the economy may develop negatively. A negative development of the real estate and financial markets in particular could have a negative impact on the investor's investment and lead to a reduction or default of planned disbursements (in particular interest and repayment).

### **Liquidity and disbursement risk**

The creditworthiness and liquidity of the Issuer therefore depend to a decisive extent on whether the respective investments in the investment properties are made and whether the Issuer can generate sufficient liquidity returns from these investments to be able to make payments on the token-based bonds in addition to its other expenses, taxes and liabilities. The Issuer is therefore directly dependent on the development and creditworthiness of its investment properties.

### **Risk from the subordination agreement**

The bearer bond is subject to a so-called qualified subordination. The claims of the investors, in particular for interest and repayment, are subordinated. With their claims arising from these bearer bonds, the investors rank behind all other creditors of the Issuer who do not have a have declared subordination and have therefore given priority to the to be satisfied, back.

## Important Notes

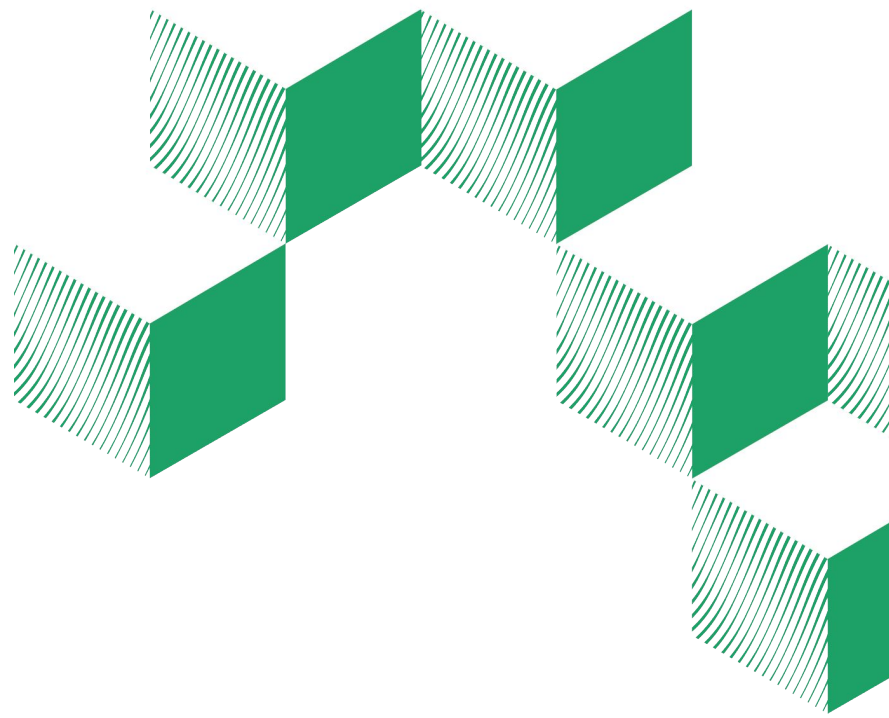
This information brochure is an incomplete, non-binding summary and is intended solely for advertising and information purposes. It does not constitute investment advice and is merely intended to provide an initial overview of the investment offering of FND German RE GmbH (issuer). The information contained in this document does not constitute an offer to buy or sell the issue.

Past performance and forecasts of future performance are not reliable indicators of future performance. Performance. No liability is assumed for the correctness and completeness of the abbreviated information on this investment product. The information is not adapted to your personal needs and circumstances and can in no way replace individual investment advice.

Bearer bonds within the meaning of the German Securities Act offer neither a fixed interest rate nor a fixed claim to repayment of the invested capital. Due to the economic development of the Issuer, payments to investors may be lower than assumed or may be cancelled altogether. These depend in particular on the returns and repayment of the real estate projects/participations or the financing granted through which the Issuer invests in real estate projects.

Only the published sales prospectus dated 11.07.2019, together with any published supplements, is authoritative for the subscription of the bearer bond. The Sales Prospectus contains detailed information on the legal, tax and economic details and, in particular, on the risks of an investment. The Sales Prospectus is available in German and in an English translation and can be found on the website of the Issuer at [www.onegroup.ag](http://www.onegroup.ag) The Sales Prospectus is also available in German and English.





[www.fnd.group](http://www.fnd.group)  
[contact@fnd.group](mailto:contact@fnd.group)

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Barmbeker Strasse 5A  
22303 Hamburg, Germany

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